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November 9, 2023

Congressional Committees

Financial Audit: Office of Financial Stability’s (Troubled Asset Relief Program) FY 2023 and FY 2022 Financial Statements

This report transmits the GAO auditor’s report on the results of our audits of the fiscal years 2023 and 2022 financial statements of the Office of Financial Stability (OFS) (Troubled Asset Relief Program), which is incorporated in the enclosed *Office of Financial Stability (Troubled Asset Relief Program) Agency Financial Report for Fiscal Year 2023*. This report marks our 15th and final financial statement audit of TARP.

As discussed more fully in the auditor’s report that begins on page 17 of the enclosed agency financial report, we found

- OFS’s financial statements for the Troubled Asset Relief Program (TARP) as of and for the fiscal years ended September 30, 2023, and 2022, are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- OFS maintained, in all material respects, effective internal control over financial reporting for TARP as of September 30, 2023; and
- no reportable noncompliance for fiscal year 2023 with provisions of applicable laws, regulations, contracts, and grant agreements we tested.

The Emergency Economic Stabilization Act of 2008 (EESA)¹ that authorized TARP on October 3, 2008, includes a provision for TARP, which is implemented by OFS,² to annually prepare and submit to Congress and the public audited fiscal year financial statements that are prepared in accordance with U.S. generally accepted accounting principles.³ EESA further states that GAO shall audit TARP’s financial statements annually. As of September 30, 2023, all TARP programs have closed, and there are no remaining troubled assets held by OFS. During fiscal year 2023, OFS completed the wind down of its remaining housing programs under TARP and sold its last troubled assets from the Capital Purchase Program and Community Development Capital Initiative. In accordance with EESA, this will be the final set of audited financial statements for TARP.⁴ Further, OFS is dissolving as an entity with only administrative

¹Pub. L. No. 110-343, div. A, 122 Stat. 3765 (Oct. 3, 2008), *classified in part, as amended, at* 12 U.S.C. §§ 5201-5261.

²Section 101 of EESA, 12 U.S.C. § 5211, established OFS within the Department of the Treasury to implement TARP.

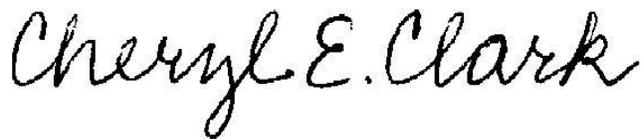
³EESA § 116(b), 12 U.S.C. § 5226(b).

⁴EESA section 116(e) (12 U.S.C. § 5226(e)) states that the requirements for Treasury to produce annual financial statements for TARP, and for GAO to audit them, shall terminate on the later of (1) the date that the last troubled asset acquired by Treasury under section 101 (12 U.S.C. § 5211) has been sold or transferred out of the ownership or control of the Federal Government; or (2) the date of expiration of the last insurance contract issued under section

functions remaining, such as systems decommissioning, records retention and management, and final accounting and reporting initiatives.

We are sending copies of this report to the Secretary of the Treasury, the Deputy Assistant Secretary for Community and Economic Development, the Director of the Office of Management and Budget, interested congressional committees and members, and other interested parties. In addition, the report is available at no charge on the GAO website at <https://www.gao.gov>.

If you or your staff have questions about this report, please contact me at (202) 512-3406 or clarkce@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report.



Cheryl E. Clark
Director
Financial Management and Assurance

Enclosure

102 (12 U.S.C. § 5212). Since OFS has met these requirements, fiscal year 2023 will be the final financial statement audit of TARP.

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